

Office of Trade Relations Trade Enforcement and Revenue Collection Subcommittee
Status Report

General description

Objective/Goal of the Subcommittee

This Subcommittee aims to generate advice and develop recommendations that will improve enforcement of the trade laws of the United States and the collection of duties and fees.

Where does it fit in our trade transformation strategy?

IPR Working Group: Consistency & Harmonization, modernization, co-creation bi-directional education, partnerships

Regulatory Audit: Consistency & harmonization, modernization, co-creation, bi-directional education, partnerships

Bonds: Modernization, co-creation, bi-directional education

AD/CVD: Consistency & harmonization, modernization, co-creation, bi-directional education, partnerships

Chair/Co-Chair Names

The COAC Trade Co-Chairs are Karen Kenney, Chief Operating Officer for Liberty International, and Matt Fass, President of Maritime Products International. The government Subcommittee Co-Chairs are Assistant Secretary Tim Skud from Treasury; CBP Director Cynthia Whittenburg (International Trade), and CBP Executive Director (Finance) Jaye Williams.

Number of participants from COAC

There are 8 COAC members in this subcommittee and the subcommittee meet once, on August 6th, 2014.

Working Groups under Subcommittee

Intellectual Property Rights (IPR)

Goal: To assess other systems/programs that can be used for IPR purposes.

The TERC subcommittee continues to examine CBP programs and processes used to facilitate legal trade while supporting its mission to effectively and efficiently enforce against violative goods.

1. Document Imaging System (DIS):

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As a result of the recommendation made by COAC at the May 22nd public meeting, CBP began asking for volunteers for the DIS pilot on September 11, 2014. Once the pilot participants have been identified, CBP expects to begin the pilot phase. At the conclusion of the pilot, CBP will share the results with COAC, offering them an opportunity to review and comment on the initiative.

2. **Voluntary Disclosure:**

At the May COAC meeting the COAC recommended that CBP open a sub-working group specific to voluntary disclosure, in order to work through the details of a potential pilot program. This sub-working group is in the process of revising the 2010 voluntary disclosure document. The goal of such a program is to enable the trade community to work with CBP to stop infringing items imported contrary to law from being sold or delivered into the commerce of the United States.

3. **Simplified Seizure Process:**

As a result of the COAC recommendation from the May public meeting in early October, CBP is going to issue guidance to the field, UPS Louisville Port, providing streamlined procedures for the processing of small shipments of counterfeit goods in express consignment.

Anti-dumping and Countervailing Duties Working Group

Goal: The working group is focused on four primary issues:

- Develop Public Outreach Education Plan – with a focus to counter electronic solicitations to importers to purchase transshipments.
- Case Coordination Efforts – informing the trade of any changes to scope with respect to dumping.
- Potential Use of single transaction bonds.
- Impact of requiring cash deposits versus bonds for new shippers.

Update: Held 9 working group sessions between July 9th and September 24th with very productive discussions by all stakeholders. Mr. Fass will provide a comprehensive overview on where the working group is as of the October 7th public meeting and describe the plans for the last quarter of the 13th Term.

Regulatory Audit Working Group (RAWG)

Goal: To provide feedback on planned enhancements to CBP's Focused Assessment Audit Program.

Update: Since the February COAC meeting, the working group has been in hiatus and it is anticipated that CBP Regulatory Audit will provide the Trade Enforcement and Revenue Subcommittee periodic updates on their efforts prior to the implementation of the program by the

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end of calendar year 2014. CBP has completed its updated draft of the Focused Assessment (FA) Pre-Assessment Survey (PAS) Technical Guide. CBP training began on February 7th and CBP outreach to the trade community has also been initiated.

CBP is planning on hosting a Regulatory Audit webinar to provide an update on the program on Thursday October 9th. As of October 2nd there were over 950 registrants for this webinar.

The updated FA Pre-Assessment Survey Audit Program information will be posted to <http://www.cbp.gov/trade/audits/focused-assessment> on October 1, 2014.

Bonds Working Group

Goal: To provide feedback on the planned development of e-bond within the Automated Commercial Environment (ACE).

Update: The e-Bond Working Group held 3 conference calls this quarter. They discussed ACE development of e-Bond functionality, technical specifications as well as aided in the development of communications materials. In June, September and October CBP shared versions of the ACE technical specifications with error code dictionary, conditions and explanations. In August, Working Group members supplied comments and suggestions for improving the “Frequently Asked Questions” document that the Office of Administration has developed for the sharing of information on e-Bond, with the trade community. The Bond Working Group has not developed recommendations for the October meeting.

Highlights

Accomplishments

The AD/CVD Working Group:

The working group has provided several ideas on how to provide compliance information, including a specialized website, an informed compliance publication for AD/CVD, and centralized publication of scope rulings. CBP appreciates the input of the working group members, and will work together with the working group to create practical recommendations to improve AD/CVD compliance.

The Bonds Working Group: Added value to the Frequently Asked Questions document and gave good suggestions regarding how to share the information with the trade. Feedback was given to CBP regarding the technical documentations.

IPR Working Group: The IPR Working Group presented three recommendations at the May COAC meeting in Miami. This group is systematically evaluating various options to strengthen IPR enforcement, including determining the application of the Document Imaging System for

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IPR purposes, a simplified seizure process for low-value shipments, and the Voluntary Disclosure process.

There has been significant progress on the 3 recommendations:

The Regulatory Audit Working Group: The COAC approved nine recommendations that were unanimously approved by the full Committee at the February 20th public meeting. These recommendations have provided CBP useful guidance and advisement in several key areas related to the Focused Assessment Enhancement process. CBP is currently conducting outreach to the industry and training within the agency on the updated program.